

***United States Court of Appeals
for the Second Circuit***



APPENDIX

ACCTL REC COLL BAL 07/01/71 4,000,000.

CHEO

IN ADVANCE

COLLECTIONS

ADJUSTMENTS

GROSS COLLATERAL

INELIGIBLE

PAST DUE MORE THAN

NET COLLATERAL

DISCOUNT

EQUITY 20 %

01/31
DAYS 06/10

300,000.

4,000,000.

4,000,000.

A/C REC AVAILABILITY 3,200,000.

LOAN ACCOUNT BAL 07/01/71

ADVANCES

NET COLLECTIONS

ADJ FC

CURRENT LOAN BALANCE

AVAIL ON RECEIVABLES 3,200,000.

OTHER COLLATERAL

% AVAILAB

TOTAL AVAILABILITY 3,200,000.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED \$

APPROVED A/C EXEC

V.P.

ACCTL REC PROMISED

MISSING RECEIPTS

FIGURED / CHECKED

CHECK ISSUED

*SALES

*CRED

*NET SALES

*PAST DUE

*INELIGIBLE

*TOTAL NET

*LESS RESERVE

*CASH

TOTAL AVAIL FOR ADVANCE

A 3155

APRS PDC COLL BAL 07/01/71 2,146,580.
59 SALES 113,644./CRED 113,644.
IN PACKING
COLLECTIONS
ADJUSTMENTS 126,704.-
GROSS COLLATERAL 2,131,440.
INELIGIBLE
PAST DUE MORE THAN 26/30
DAYS 07/26
NET COLLATERAL 2,133,440.
DISCOUNT
ADJ 57 1,066,720.

LOAN ACCOUNT BAL 07/01/71
ADVANCES
NET COLLECTIONS
ADJ FC

CURR COLLATERAL

9 AVAILAB

A/C REC AVAILABILITY 1,066,720.

CURRENT LOAN BALANCE

AVAIL ON RECEIVABLES 1,066,720.

TOTAL AVAILABILITY 1,066,720.

ADDITIONAL ITEMS NOT INCLUDED ABOVE

AMOUNT REQUESTED \$	*SALES	*	*	*	*
APPROVED A/C EXEC	*CRED	*	*	*	*
V.P.	*NET SALES	*	*	*	*
	*PAST DUE	*	*	*	*
ADULT REC PROMISED	*INELIGIBLE	*	*	*	*
	*TOTAL NET	*	*	*	*
MISSING RECEIPTS	*LESS RESERVE	*	*	*	*
FIGURED / CHECKED	*CASH	*	*	*	*
CHECK ISSUED		*	*	*	*

TOTAL AVAIL FOR ADVANCE

A 3155

103

A 3157
FIRST NATIONAL CITY BANK, EXH
FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 95130, NEW YORK, N.Y. 10017

648

10/24/71 .129

August 12, 1971
(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business August 11, 1971 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ'MTS		GROSS COLLECTIONS		CREDIT ADJ'MTS		COLLATERAL CURRENT BAL
33,525,032.	46	796,222.	45			770,069.	67	75,059	72	33,460,925

*PAST DUE \$ 3,539,782.00 AS OF 7/26

Ineligible 5,906,340.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL
10,771,900	11			936,000.	00	763,771.	39	19,944,136

PRESENT PARTICIPATION 0,575,970.79

PREVIOUS PARTICIPATION 0,501,920.49

CHECK DUE YOU x US 74,050.30.

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

A 3158
FIRST NATIONAL CITY BANK P. EXH
 FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 25118, NEW YORK, N.Y. 10017

10/4/77

August 19, 1971
(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 13

The position of the above account in which you participate with us in accordance with agreement, at the close of business 8/18/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ M TS		GROSS COLLECTIONS		CREDIT ADJ M TS		COLLATERAL CURRENT BAL *
33,468,925.	52	755,377.	94	175,996	53	1,629,605.01		38,304.53		32,732,230.

*PAST DUE \$ 9,609,751.00 AS OF 7/31/

Ineligible 4,150,423.00 CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL
19,944,136.	72			920,250.	00	1,615,095.	00	19,249,290.

PRESENT PARTICIPATION 8,277,195.06

PREVIOUS PARTICIPATION 8,575,970.79

CHECK DUE x YOU US 290,783.73

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

A 3159 FIRST NATIONAL CITY BANK P. EXH

FACTURING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 95138, NEW YORK, N.Y. 10017

650

10/24/74 RJA

June 3, 1971

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corporation

Account Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business June 2, 1971 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ MTS		GROSS COLLECTIONS		CREDIT ADJ MTS		COLLATERAL CURRENT BAL	
26,690,982	57	678,012	14			565,802	24	44,481	69	26,758,620	78

PAST DUE \$ 7,242,068.00 AS OF May 1971
INELIGIBLE 2,544,959.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
14,032,892	85	110,681	45	1,000,000	00	559,178	81	14,584,395	49

PRESENT PARTICIPATION 6,271,290.06

PREVIOUS PARTICIPATION 6,034,143.93

CHECK DUE YOU X US 237,146.13

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3160 FIRST NATIONAL CITY BANK P. EXH 651

FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 8518, NEW YORK, N.Y. 10011

6/10/71

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corporation

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 6/9/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ. MTS		GROSS COLLECTIONS		CREDIT ADJ. MTS		COLLATERAL CURRENT BAL	
26,758,620	78	1,402,016	31	3051931	96	169,199	42	339608182		27,647,287	81

*PAST DUE \$ 3,974,835.00 AS OF 5/31

Ineligible 2,639,791.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
14,584,395	49			1,463,586	97	158,142	09	15,889,840	37

PRESENT PARTICIPATION

6,832,631.36

PREVIOUS PARTICIPATION

6,271,290.06

CHECK DUE YOU ☒ US

561,341.30

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

FIRST NATIONAL CITY BANK DATE 6/17/71
A 3161 FACTORING AND COMMERCIAL FINANCE DEPT. 10/24/74 - 109

P.O. BOX 85138, NEW YORK, N.Y. 10013

6/17/71

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Top Co. Corporation

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 6/16/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ M TS		GROSS COLLECTIONS		CREDIT ADJ M TS		COLLATERAL CURRENT BAL *	
7,647,287	81	969,759	52			661,701	99	479,123	70	27,476,221	64

*PAST DUE \$ 3,650,079.00 AS OF 6/16

Ineligible 2,626,560.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
15,889,840	37			750,000	00	596,596	70	16,043,243	67

PRESENT PARTICIPATION

6,898,594.78

PREVIOUS PARTICIPATION

6,832,631.36

CHECK DUE YOU ☒ US

65,963.42

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

FIRST NATIONAL CITY BANK **P. EXH 653**

A 3162 FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 8518, NEW YORK, N.Y. 10011

10/14/71 *AD*

6/24/71

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corporation

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 6/23/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ MTS		GROSS COLLECTIONS		CREDIT ADJ MTS		COLLATERAL CURRENT BAL	
27,476,221	64	1,529,269	02			563,513	95	214833	84	28,227,142	87

*PAST DUE \$ 3,619,746.00 AS OF 6/24

ineligible 3,146,105.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
16,043,243	57			1,019,000	00	368,213	80	16,694,029	87

PRESENT PARTICIPATION

7,178,432.84

PREVIOUS PARTICIPATION

6,898,594.78

CHECK DUE YOU ☒ US

279,838.06

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3163.
FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

P. EXH 654
10/1/71

P.O. BOX 45118, NEW YORK, N.Y. 10011

June 29, 1971

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corporation

May Finance Charges

%

The position of the above account in which you participate with us in accordance with agreement, at the close of business was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ M TS		GROSS COLLECTIONS		CREDIT ADJ M TS		COLLATERAL CURRENT BAL *	

PAST DUE \$ AS OF

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	

PRESENT PARTICIPATION

PREVIOUS PARTICIPATION

36,704.60

CHECK DUE X YOU US

36,704.60

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

A 3164 FIRST NATIONAL CITY BANK P. 655

FACTURING AND COMMERCIAL FINANCE DEPT.

10/24/71

U.S. DEPT. OF JUSTICE, 100-100000

July 1, 1971

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corporation

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 6/30/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJTS		GROSS COLLECTIONS		CREDIT ADJTS		COLLATERAL CURRENT BAL	
28,227,142	87	1,875,277	10			967,018	04	720,63	43	29,063,338	50

PAST DUE \$ 3,619,746.00 AS OF 6/24

Ineligible 4,091,295.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
16,694,029	87			2,550,000	00	1,071,780	56	18,172,249	31

PRESENT PARTICIPATION 7,814,067.20

PREVIOUS PARTICIPATION 7,178,432.84

CHECK DUE YOU X US 635,634.36

FIRST NATIONAL CITY BANK

FACTURING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

FACTORING AND COMMERCIAL FINANCE DEPARTMENT

No 37853

A-3165

656

10/17/71

Date	Wire/Check No
07/15/71	37853

Amount
514,869.11

CLIENT'S
COPY

NOT NEGOTIABLE

Authorized Signature

The position of the above account in which you participate with us in accordance with agreement, at the close of business 7/14/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ MTS		GROSS COLLECTIONS		CREDIT ADJ MTS		COLLATERAL CURRENT BAL	
32,208,971	92	356,099	41	131,865	56	508,347	91	238,374	41	31,950,214	57

LAST DUE \$ 3,479,587.00 AS OF 7/14

Eligible 5,752,096.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
18,126,819	07			400,003	60	597,373	62	17,929,449	05

PRESENT PARTICIPATION 7,709,663.09

PREVIOUS PARTICIPATION 7,794,532.20

CHECK DUE X YOU US 84,869.11

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days of the date of this statement.

A 3165 FIRST NATIONAL CITY BANK

FACTURING AND COMMERCIAL FINANCE DEPT.

U.S. BOX 2313, NEW YORK, N.Y. 10011

July 22, 1971

(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business July 21, 1971 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL	SCHEDULES PURCHASED	DEBIT ADJTS	GROSS COLLECTIONS	CREDIT ADJTS	COLLATERAL CURRENT BAL
1,950,214	57 604,860 00	5 11	627,493 57	322163 86	31,605,417 25

FAST DUE \$ 2,642,578.00 AS OF 7/14
Ineligible 5,509,939.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL	SERVICES & OTHER CHGS	CASH ADVANCES	NET COLLECTIONS	CASH LOAN CURRENT BAL
17,929,449 05		1,175,001 50	590,561 10	18,513,889 45

PRESENT PARTICIPATION 7,960,972.46

PREVIOUS PARTICIPATION 7,709,663.09

CHECK DUE YOU X US 251,309.37

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days of the date of this statement.

A 3167 FIRST NATIONAL CITY BANK P. 658

FACTORING AND COMMERCIAL FINANCE DEPT.

10/29/74 C/P

P.O. BOX 25118, NEW YORK, N.Y. 10012

July 22, 1971
(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business July 28, 1971 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ. MTS		GROSS COLLECTIONS		CREDIT ADJ. MTS		COLLATERAL CURRENT BAL	
1,605,417	25	988,336	03	638,478	00	595,614	94	136,080	97	32,500,535	37

*PAST DUE \$ 3,539,782.00 AS OF 7/26
Ineligible 5,659,645.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
8,513,889	45			800,001	00	548,479	06	18,765,411	39

PRESENT PARTICIPATION 8,069,126.90
PREVIOUS PARTICIPATION 7,960,972.46
CHECK DUE YOU X US 108,154.44

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3168
FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

P. EXH 659
 10/29/74 *pl*

P.O. BOX 8518, NEW YORK, N.Y. 10012

August 5, 1971
 (Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business August 4, 1971 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ MTS		GROSS COLLECTIONS		CREDIT ADJ MTS		COLLATERAL CURRENT BAL	
32,500.535	37	1,537,510	99			507,836	49	4,305	41	33,525,032	46

*PAST DUE \$ 3,539,782.00 AS OF 7/26

Ineligible 5,950,900.66 SH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
10,765,411	39	144,427	57	1,350,001	53	487,932	30	19,771,900	11

PRESENT PARTICIPATION 8,501,920.16

PREVIOUS PARTICIPATION 0.062,126.00

CHECK DUE YOU X US 432,793.37

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

A 3169
FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

P. EXH 660
 10/24/71 (24)

P.O. BOX 9810, NEW YORK, N.Y. 10017

8/26/71
 (Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 8/25/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ MTS		GROSS COLLECTIONS		CREDIT ADJ MTS		COLLATERAL CURRENT BAL *	
32,732,230	44	1,443,690	28	250	00	796,882	09	127,687	53	33,251,601	10

*PAST DUE \$ 9,536,812.00 AS OF 8/19

Ineligible 4,237,552.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL	
19,249,290	84			1127,550	26	754,068	39	19,622,772	71

PRESENT PARTICIPATION 8,437,792.27

PREVIOUS PARTICIPATION 8,277,195.06

CHECK DUE YOU ☒ US 160,597.21

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

A 3170
FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX #5116, NEW YORK, N.Y. 10017

P. EXH 661
 10/24/74 89

9/2/71
 (Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

At: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 9/1/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ M TS		GROSS COLLECTIONS		CREDIT ADJ M TS		COLLATERAL CURRENT BAL *
33,251,601	10	1,040,291	18			870,448	62	203,371	97	33,218,071

*PAST DUE \$ 9,536,812.00 AS OF 8/19

Ineligible 4,482,299.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL.
19,622,772	71	154,785	95	1,050,000	00	820,984	35	20,006,574

PRESENT PARTICIPATION 8,602,826.95

PREVIOUS PARTICIPATION 8,437,792.27

CHECK DUE YOU ☒ US 165,034.68

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3171
FIRST NATIONAL CITY BANK
FACTORIZING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 95136, NEW YORK, N.Y. 10017

9/9/71

(Date)

PARTICIPANT:

Manufactures Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corp.

Accounts receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 9/8/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ'NTS		GROSS COLLECTIONS		CREDIT ADJ'NTS		COLLATERAL CURRENT BAL	
33,210,071	69	1040,959	46			640,137	55	11360	30	34,407,533	2.

*PAST DUE \$ 9,536,012.00 AS OF 8/19

Ineligible 4,775,049.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS.		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL.	
20,006,574	31			1,100,000	00	636,149	66	20,470,424	

PRESENT PARTICIPATION

0,002,202.60

PREVIOUS PARTICIPATION

0,602,026.95

XXXXXX CHECK DUE _____ YOU X US

199,435.63

FIRST NATIONAL CITY BANK
FACTORIZING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3172
FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPT.

P.O. BOX 25136, NEW YORK, N.Y. 10017

P. EXH 063
10/24/71 p2

9/16/71
(Date)

PARTICIPANT:

Manufacturers Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corp.

Accounts Receivable % 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 9/15/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ M TS		GROSS COLLECTIONS		CREDIT ADJ M TS		COLLATERAL CURRENT BAL.	
34,407,533	22	1,582,504	89			853,989	70	428,173	33	34,707,875	0

*PAST DUE \$ 9,470,436.00 AS OF 9/14

Ineligible 4,775,849.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL.	
20,470,424	65			1,000,000	00	793,421	97	20,677,002	68

PRESENT PARTICIPATION 8,891,111.15

PREVIOUS PARTICIPATION 8,802,282.60

~~CHECK DUE~~ 88,828.55

~~CHECK DUE~~ YOU X US

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing therein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3173
FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

P. EXH-004

1424/74 - R9

No 38913

Date	Wire Check No.
9/22/71	

Amount
9177,51.73

**CLIENT'S
COPY**

NOT NEGOTIABLE

..... Mr. Fred

Information No.

Re: Topper Corp.

Authorized Signature

Accounts Receivable

The position of the above account in which you participate with us in accordance with agreement, at the close of business 9/22/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ'N TS		GROSS COLLECTIONS		CREDIT ADJ'N TS		COLLATERAL CURRENT BAL
34,707,875	08	1,648,821	32	14,072,103	47	1,247,053	91	13,531,468	63	35,650,277.33

*PAST DUE \$ 9,302,602.00 AS OF 9/20

delinquent 138,083.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL
20,677,002	68			1,125,000	00	8,445,585	57	13,356,417

PRESENT PARTICIPATION 5,743,259.36

PREVIOUS PARTICIPATION 5,881,111.15

CHECK DUE X YOU US 137,851.79

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

This participation statement is submitted for your review and approval. All transactions appearing herein shall be deemed confirmed by you unless written objections shall be forwarded to us within 10 days from the date hereof.

A 3174

P. 1781 605
10/24/74 - 29

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPT.

P.O. BOX #5138, NEW YORK, N.Y. 10017

9/29/71

(Date)

PARTICIPANT:

Manufactures Hanover Trust Co.

Att: Mr. Fred Schmidt

Re: Topper Corporation

Accounts Receivable

% 43

The position of the above account in which you participate with us in accordance with agreement, at the close of business 9/28/71 was as follows:

COLLATERAL ACCOUNT

COLLATERAL PREVIOUS BAL		SCHEDULES PURCHASED		DEBIT ADJ'MTS		GROSS COLLECTIONS		CREDIT ADJ'MTS		COLLATERAL CURRENT BAL *
35,650,277	33	1044,230	97	8403547	16	1,503,061	34	8430166.41		35,164,827

*PAST DUE 9,302,602.00 AS OF 9/20

Ineligible 138,083.00

CASH LOAN ACCOUNT

CASH LOAN PREVIOUS BAL		SERVICES & OTHER CHGS		CASH ADVANCES		NET COLLECTIONS		CASH LOAN CURRENT BAL
13,356.417	11		50	750,000	00	6603744	38	7,502.673

PRESENT PARTICIPATION

3,226,149.49

PREVIOUS PARTICIPATION

5,743,259.36

CHECK DUE x YOU US

2,517,109.87

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPT.

A 3175

E. EXH

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE January 19, 1970

FROM A. J. Lusk, A.V.P.

TO Contract File

SUBJECT: Topper Corporation

(1) GENERAL FILE
(2) CONTRACT FILE
(3) 14 YRS)
(4) SSF

The following is written to record a meeting held on 1/15 and other information gathered, particularly regarding the 1970 projection and preliminary 12/31/69 balance sheet and P. & L. for the year, presented to us in December.

Meeting attended by:

Topper

Henry Orenstein
Jack Rose
David Downs
Morrius Orenstein

First National City Bank

Edward Waldman
David Holzman
A. Lusk

Fidelity (15% participant)

William Hoffman
John Trimble

Separate meeting between Topper and Manufacturers (43% participant) to be held on 1/16.

FINANCIAL STATEMENTS AND PROJECTIONS:

Preliminary sales of \$54.9MM will be somewhat less than \$54MM but will not affect the profit of \$2MM. In the P. & L. presented a normal profit after taxes of \$1MM is shown but tax loss carry forward of an equal amount has not been shown. At 12/31/68 Company had net operating loss carry forwards of \$13.2MM of which \$7.8MM expires in 1971, \$2.2MM in 1972 and the balance in later years. The \$2MM net profit is after extraordinary depreciation and amortization of \$1.8MM leaving a cash flow of \$3.8MM after completely liquidating the P. & R debt.

P. EXH 667

10/24/74 EP

9/20

[illegible]

A 3177

P. EXH

7 1ST NATIONAL CITY Bldg : 10/24/77
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

GG9

DATE February 25, 1970

FROM M. Siegel, A.C.

TO Contract File

SUBJECT: Topper Corporation


☐ GENERAL FILE
☒ CREDIT FILE
☐ 1-3 YRS
☐ 4-5 YRS
☐ 6-10 YRS
☐ PERMANENT
☐ SSF

We received credits today in the amount of \$731,662.57 representing customer rebates of 4% on volume purchases for 1969.

According to Mr. Schwartz of Topper this rebate plan is offered each year to customers that buy over a specified amount by year end and rebate credit issued on 2/15.

Most of these amounts have already been deducted by the customers involved and reserved by us. The amount indicated represents total rebates for 1969 except for some minor adjustments and client considers them in their year end figures.

In as much as this is part of our overall "return reserve" for December & January - no further ineligibles are contemplated.


M. Siegel
Assistant Cashier

S:mb

cc: K. Johnson, A.C.

FINANCE ROUTING


A/C EXEC
LEADING FILE
CONTRACT FILE

E. Waldman

A 3178

P. EXH

671

10/14/74

FILE NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE March 23, 1970

☐ GENERAL
☐ CREDIT FILE
☒ 2 YRS ON FILE
☐ PERMANENT
☐ SSF

FROM M. Siegel, A.C. TO Contract File
SUBJECT: Topper Corporation
Line Renewal

Client has experienced a successful year reflecting a \$2.7MM net profit. Long term debt of \$4.6 Million which is subordinated together with capital has increased to 12.5 million from \$8.2 million the prior year. Working capital has also improved from .1 to 3.2 million for year end 1969.

Sales are made to mostly well rated accounts with some extended dating, bad debt experience is practically nil. Seasonal reserves are maintained by us to allow for returns and allowances. Client's reporting is prompt and satisfactory.

Inventory records are detailed and complete.

Seasonal advances on M. & E. and inventory, are temporary March thru September with our greatest exposure March and April.

I suggest we renew our line with an increase* to \$6,510,000. (our 42% share including 5% participation by the Mercantile Bank) for the forthcoming year. Total loan of \$15.5MM, including sublimit of \$1MM available to new wholly-owned subsidiary, Youth Care, Inc. for receivables only.

M. Siegel
Assistant Cashier

MS/ec

FINANCE ROUTING

FILED
L/C FILE
LEADING FILE
CONTRACT FILE

* actually unchanged
from increase approved
in Nov. '69.

A 3179

FIRST NATIONAL CITY BANK. P. EXH 672
FACTORY AND COMMERCIAL FINANCE DEPARTMENT

DATE: July 27, 1970

FROM Morton J. Siegel, A.V.P.

TO Contract File

SUBJECT: Topper Corporation

Messrs. Waldman, Holzman, Siegel and Stampleman met with Messrs. Orenstein, Downs and Rose of Topper Corporation at their Showroom on 23rd Street. The purpose of this meeting was to preview their new toy line for next year and to receive and review their revised cash projection.

Mr. Orenstein presented the new line which will concentrate more on non seasonal items and low cost merchandise.

In reviewing cash projections for July thru January, client is projecting a greater need for non receivable loans from July thru October with peak loan requirements in October and November, of \$19,404,000. which is approximately \$900M over our present loan limit. Their projections did not take into consideration, however, a new development with their letter of credit transactions whereby Manufacturers Hanover will extend acceptances on a 30 day basis. This should peak in September at about \$1MM which could reduce line requirements back to previous requests of \$18,500,000. or less.

The additional cash requirements according to client are that they did not receive monies from stock issue as anticipated and collections due to additional datings have not come in as projected.

Recommendations:

I feel the client is understating their reserves and ineligibles which would not generate the availability as projected. Furthermore, an increase in their line due to non receivable collateral is not justified due to a decrease in anticipated sales and profits. Not knowing whether or not client will need additional line (due to 30 day acceptances) suggest they make every effort to speed collections. However, if reasonable non receivable loans are requested, (10% of gross receivables) consideration may be given to these requests, providing same does not exceed our present line.

Morton J. Siegel
Morton J. Siegel
Assistant Vice President

MS/ec

*Bring
as needed
help from
...*

A 3180

July 27, 1970

TOPPER CORPORATION

(000 Omitted)

Month End Cash Requirements	<u>Original Projection</u>	<u>Revised Projection</u>	<u>Increase (decrease)</u>
July	16362	18324	1962
<i>includes</i> Non Receivable <i>in</i>	2350	2924	574
August	16509	19119	2610
Non Receivable	1000	2514	1514
September	16805	19388	2583
Non Receivable	-0-	1398	1398
October	18464	19404	940
Non Receivable	-0-	-0-	----
November	18365	19404	1039
Non Receivable	-0-	-0-	----
December	15749	16364	597
Non Receivable	-0-	-0-	----
January	-0-	-0-	----
Year Projections Consolidated:			
Sales	75000	72000	(3000)
Cost of Sales	41000	42249	791
Expenses	25977	24622	(1355)
Net Profit (after taxes)	2867	1676	(1191)

FINANCE ROUTING

DUNN

HOLMAN

LUSK

FISCHER

A/C BUD.

READING

10/24/74 - KG

FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE **October 30, 1970**

FROM A. J. Lusk, A.V.P.

TO Contract File ☒ GENERAL
CREDIT FILE
Topper Corporation ☐ 21.2.19.1
☐ PERMANENT
☐ SSF *7-2-20*

SUBJECT: Topper Corporation

I spoke with Jack Rose briefly today. Highlights as follows:

1. Concerned regarding their ability to meet projected volume. Best estimate now is that they will be several million short. Expect to also be several million short of the Dawn Doll orders at year-end.
2. The latter is a paradox as the Dawn Doll is the best selling item (wholesale and retail) because of its low cost and price. While the higher priced items, i.e., Suzy Homemaker Fashion Show and Johnny Lightning Race Car Sets have slowed down.
3. Best "guesstimate" regarding profit is a break-even, including the "possible" Youth Care write-off of approximately, \$800M.
4. Returns are expected to run proportionately about the same as last year. (we should take a very conservative approach to establishing a reserve for returns).
5. There will be some re-dating, but they do not expect that it will be in the proportions of the past year. (Again we should take a conservative approach.)
6. They expect to have heavy shipments to customers of the Dawn Doll after the Christmas season on May 10th dating. (This is somewhat of a contradiction for a non-seasonal item.) They justify the dating as an incentive to buy more than would be normally expected. (It provides Topper with more cash/advances than normal.)
7. The proportionately higher discounts and allowances given this year vs. last year, were primarily motivated to book sales (cash generation) on the higher ticketed items.

A. J. Lusk
Assistant Vice President

FINANCE ROUTING

22 JUL 68

A 3182

P. EXH 675

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

10/24/77 RD
DATE December 22, 1970

FROM A. J. Lusk, A.V.P.

TO Contract File

SUBJECT: Topper Corporation

Impromptu meeting with Topper management on December 21st, with discussion mainly on collateral.

The following conclusions were reached and should be followed going forward:

1. Normal shipments with 8/10 dating are ineligible.
2. Assignment of "drop shipments" bills to us is questionable due to the existing lien of Manufacturers Hanover which holds the relative acceptance. We will not stand in the way of Manufacturers perfecting their interest in this collateral and the respective attorneys will draft an appropriate agreement. We have not advanced on those receivables already assigned and will receive from Topper negative assignments to bring the collateral in line. Those accounts involved total approximately \$1,126M.
3. Due to the fact that they have purposely slowed down shipments prior to Christmas to allow the stores to clear out merchandise, they will require a substantial over-advance. There is a discrepancy in our number, vs. theirs which we are trying to resolve but the O.A. needed would peak between \$1.2MM/\$1.6MM and gradually work down to a more manageable figure. O.A. discussed further in this memo.
4. In order to bring our figures closer together and present a more realistic picture, we have agreed to the following:
 - a. Where they represent that credits are applicable to past due and ineligible accounts we will reduce daily the past due and ineligible figures.
 - b. Customer deductions (not discounts) appearing on remittance reports will be reflected as a reduction against the \$2MM reserve we have for returns and deductions. This is to be followed closely and we are to be satisfied at all times that our reserve is adequate.

A 3183

NO. 133 7-66

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE _____

FROM _____ TO _____

SUBJECT:

-2-

Both a and b are to be checked out to our satisfaction when 12/31 aging is received and by audit if necessary.

The over advance mentioned above was actually about \$1.5MM on our books yesterday vs. \$1.2MM on their records. Projection presented yesterday (to be up-dated and re-submitted today) shows that number as the peak. Shipments will be stepped up for the balance of December and going into January. Collections for that period should also be substantial under normal conditions. However, Topper's money requirements for the period are also very substantial. ~~However~~, due to the back-up collateral, i.e., August dating, profit in container shipments, inventory, etc., I feel we are reasonably secured. However, the client must be watched very closely due to the uncertainty of the economic climate and the inherent problems in the Toy Industry.

A. J. Lusk
A. J. Lusk
Assistant Vice President

AJL/ec

CC: Ken Johnson, A.C.

i *qu*
D.H. *Q*

A 3184

P. EXH

677 - 10/1

10/24/77

9934 7-88

FIRST NATIONAL CITY BANK
 FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE February 23, 1971

FROM Morton J. Siegel, A.V.P. TO Contract File
 SUBJECT: Topper Corporation

Advance Instructions:

80% on all eligible receivables including
 August dating.

Overadvance privileges: *(These figures include the 500th
 temporary advance during any given month
 to be made up before the end of that month)*

1971
February thru March

\$1,250,000.

April

\$1,000,000

May

\$ 750,000.

June and thereafter

\$ 500,000.

(Signature)
 Morton J. Siegel
 Assistant Vice President

APPROVED:

(Signature)
 A. J. Lusk, A.V.P.

(Signature)
 E. Waldman, V.P.

ADVANCE INSTRUCTIONS
 FOR
 LUSK
 FISCHER
 A/C EXEC.
 READING FILE
 CONTRACT FILE

A 3185

pc 677A

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE February 23, 1971

FROM Morton J. Siegel, A.V.P. TO Contract File
SUBJECT: Topper Corporation

*line
T-1*

Advance Instructions:

80% on all eligible receivables including August dating.

Overadvance privileges: *(These figures include the 500th temporary advance during any given month to be made up before the end of that month)*

1971	
February thru March	\$1,250,000.
April	\$1,000,000
May	\$ 750,000.
June and thereafter	\$ 500,000.

[Signature]
Morton J. Siegel
Assistant Vice President

APPROVED:

[Signature]
A. J. Lusk, A.V.P.

[Signature]
E. Waldman, V.P.

FINANCE ROUTING
FIRM
HOLLAND
LUSK
FISCHER
A/C EXEC.
READING FILE
CONTRACT FILE

A 3186

P. EXH 678

FIRST NATIONAL CITY BANK

10/24/74

FACTURING AND COMMERCIAL FINANCE DEPARTMENT

DATE February 23, 1971

A. J. Lusk, A.V.P.

TO Contract File

SUBJECT: Topper Corporation

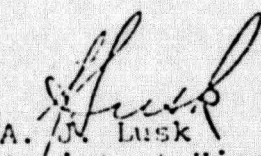
E. Waldman, D. Holzman, V.P.s and I were guests of Topper for the Toy Fair.

To facilitate new offering of Topper stock, they will probably discontinue the Young and Free operation. This will mean an additional loss for liquidating expense, and will make the net for 1970 about \$250M vs. the \$600M previously projected. P & L figures will be shown separately for the toy operation to highlight the cash flow of \$4.7MM. Mid May is the target date for the \$5MM of public money and they are also discussing \$5MM ten year term money from an insurance company after the public offering.

The Dawn doll and accessories is the most important part of the new line along with a new talking doll "Smartypants". Johnny Lightning will be off somewhat due to excess car inventory in the market, but the additional business in dolls should take up the slack.

There is expected to ^{be} some redating of current receivables which Jack Rose will detail to us as soon as information is available.

The final audited figures should be ready within a few weeks.


A. J. Lusk

Assistant Vice President

P.S. Present from Topper were

Henry Orenstein

Jack Rose

David Downs

Julie Schwartz

Morris Orenstein, and

Gordon Johnson of Dancer Fitzgerald

FILING

A

E-10

W

A 3187 P. EXH 679-AV

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT10/24/77
DATE March 10, 1971

FROM M. J. Siegel, A.V.P.

TO Contract File

SUBJECT:

Topper Corporation

As of even date the status of clients account is as follows:

A/R Gross:	\$25,352 M	
Pd. & Incl.	4,320 M	(As 1/31/71)
Net A/R	21,032 M	

Total N.Y. Term	
Whse: \$5,860 M	Incl. 860 M
Net eligible	20,172 M
	80 %
	16,137 M
Loan	15,315 M
Available	822 M

Pending further discussions no more N.Y. terminal invoices will be made eligible and no dating beyond August will be acceptable.

(for any other whse)

M. J. Siegel
Assistant Vice President

MJS:br
CC: Ken Johnson, A.C.

A 3188

P. ECH ⁶⁸⁰
11/17/71
SS

NY 3-14 7-67

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENTDATE December 11, 1970FROM Morton J. Siegel, A.V.P. TO Contract File
SUBJECT: Topper Corporation

We have discussed "Container Shipments" with Mr. Schwartz of the client's office. We advised the following:

- 1) A waiver from Manufacturers Hanover on all rights, title and interest on any inventory * relating to these shipments must be secured and sent to us.
- 2) A domestic receipt must be received prior to eligibility.
- 3) Only May dating would be considered for advance. If paid (May Portion) the balance would be eligible, which is payable in August.

[Signature]
Morton J. Siegel
Assistant Vice President

MJS/ec

* Unless info. has been fed. on acceptance waiver would not seem practical. Issues with J. Paul today he recognizes the problem of the possibility of double financing. Needs further investigation but objects to our caution on starting which he justifies as a sales decision. I told him "all sold" or not automatically collateral for advance.
E.W. Williams

FINANCIAL ROUTING

JUN
O'DYANJUN 23
A/C EXEC.

915

A 3189

P. EXH 683

FIRST NATIONAL CITY BANK
FACTORING AND COMMERCIAL FINANCE DEPARTMENT

10/29/74

DATE March 10 1971

FROM A. J. Lusk AVP

TO File

SUBJECT: TOPPER CORP.

In discussions on 3/5 and 3/9 Jack Rose mentioned that they are planning an additional warehouse program for retail type customers. Warehouses would be located at various points close to customers with substantial retail demand. This program is in the planning stage and further details are not available. I told Jack Rose that before they make commitments for this or any other new sales program, they should meet with us and provide full details for our review and decision.

Later, on the 9th, E. Waldman spoke with H. Orenstein and told him we were not fully satisfied with the current "bill and hold" arrangement at the Elizabeth warehouse for various customers totaling approximately \$5.8MM. Henry was told that future advances would only be at the normal 80% of accounts receivable for merchandise actually shipped to customers. It was agreed that this arrangement would be followed for at least the next three weeks, with Topper probably approaching us further on the subject of warehousing goods for customers after three weeks. No commitment was made to reverse the above, however.

AJL

Qui

X

12

A 3190

PX 484

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPARTMENT

DATE March 24, 1971

FROM A. J. Lusk, A.V.P. TO Contract File
SUBJECT: Topper Corporation

On receipt of the January 31, 1971 company prepared figures, I spoke to Jack Rose.

The audited 12/31/70 figures are ready and we should have same within a few days. The annual report to stockholders should be ready in early April. The figures are the same as presented to us by the company a few weeks ago.

A comparison of the January 1971 figures vs. January 1970 follows:

	Month of January (Millions)	
	1971	1970
Current Assets	32.8	16.7
Current Liabilities	<u>25.9</u>	<u>12.8</u>
Working Capital	6.9	3.9
Term Debt	4.0	5.2
Net Worth	10.2	7.5
Sales (1 Month)	.3	.8
Net Loss	(.7)	(.5)
Unabsorbed Expense (included in C.A.)	1.2	.9

Advertising (mostly T.V.) accounts for approximately one half of the unabsorbed expense. Approximately an additional \$200M was absorbed for the month. Jack Rose said a substantial amount of T.V. advertising is billed before it is actually used and therefore they defer the expense to a more appropriate accounting period, depending upon the product and the ads. short term expectancy.

A breakdown of the inventory shows a reserve of \$1MM which Jack Rose said covers some of the older items which they are phasing out such as Busy Babies, etc. Most of this type goods is in the Orient.

FINANCIAL ROUTING

DATE 3/24/71
BY [Signature]
CHECKED [Signature]
INDEXED [Signature]
RECORDING FILE
CONTRACT FILE

*Under review of advertising and
Budget Department. Also to be reviewed
Shipments. On the basis of looking
at what would have been necessary
to have shipped off in 1970 and
the amount of the loss. This would
be the basis for the calculation of the*

*Two end of season
should be due to
unabsorbed*

*170 400
12/31/70*

*1.2MM
is for
Jan '71*

A 3191

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPARTMENT

DATE _____

FROM _____ TO _____

SUBJECT:

-2-

Although shipments through February have been nominal, they expect to close out the first quarter with shipments exceeding the same period last year by approximately \$3MM. In answer to my question of direct customer shipment, Jack said of the total first quarter shipments, he expects \$500M/\$700M to be shipped into New York Terminal Warehouse for customers under the usual arrangements. The latter is over and above the warehouse shipments already assigned to us. Jack Rose is well aware that we have no commitment to advance on any additional warehouse shipments.

I also questioned Jack about the re-dating, as the past dues seem to indicate the possibility of \$3MM being re-dated. Jack said they are currently working this out with customers and although he did not have a firm figure, he estimates that re-dating will amount to somewhat more than last year's \$2MM. They expect to have the details of this year's program within a few days. Again, we have made no commitment on the re-dating.


A. J. Lusk
Assistant Vice President

AJL/ec

A 3192

P. EXH 085

FIRST NATIONAL CITY BANK
FACTORS AND COMMERCIAL FINANCE DEPARTMENT


10/25/71
SS

DATE March 26, 1971

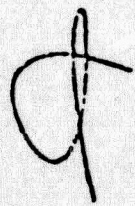
FROM A. J. Lusk, A.V.P. TO Contract File
SUBJECT: Topper Corporation

Jack Rose advised as follows:

1. They hope to sign the contract for Sesame Street today. They have already developed the product but no tooling has been set up. He did not know the amount of tooling required. Shipments would not be forthcoming until the Fall months.
2. The registration statement is expected to be filed next week with the S.E.C. Proceeds of the offering would be 30/60 days later.
3. The re-dating to September 10th is approximately \$2.1MM. They will furnish for our review a schedule of the accounts involved and copies of the letters spelling out the terms. The accounts are mostly distributors.


A. J. Lusk
Assistant Vice President

ASL/ec



A 3193

P. EXH 687

10/25/71 45
 FACTORING AND COMMERCIAL FINANCE DEPARTMENT

DATE April 15, 1971

FROM A. J. Lusk, A.V.P.

TO Contract File

SUBJECT: Topper Corporation.

Henry Orenstein, Jack Rose and David Dawns, met with E. Waldman, and myself yesterday.

Mr. Orenstein told us the Sesame Street contract has had a dramatic effect on the stock which would indicate that the new issue would probably generate at least \$6MM as opposed to the \$3/\$5MM previously discussed. They expect S.E.C. approval momentarily, which would provide the proceeds of the issue within approximately two weeks.

To date shipments and collections have been ahead of projections. April shipments are expected to total about \$3.9MM (\$3.5MM to be assigned between now and month end). However, their money requirements are substantial although they are holding off payables. Jack Rose estimates the following overadvances with the re-dating as eligible. We consider*re-dating ineligible which is also reflected below:

O. A. Week ending April 16th	\$1.2MM
* Plus re-dating \$2.2MM @80%	<u>1.7MM</u>
O. A. on our books	\$2.9MM
O. A. Week ending April 23rd	\$1.7MM
* Plus re-dating \$2.2MM @80%	<u>1.7MM</u>
O. A. on our books	\$3.4MM

The overadvance after April 23rd to be on a declining basis and to be recouped by April 30th either thru shipments and collections and/or proceeds of public offering.

A. J. Lusk
 Assistant Vice President

APPROVED:

E. Waldman
 E. Waldman, V.P.

A 3194

P. EXH 688

- 2254 7-53

FIRST NATIONAL CITY BANK
FACTURING AND COMMERCIAL FINANCE DEPARTMENT

10/26/77

SS

DATE May 19, 1971

FROM A.J. Lusk, A.V.P.

TO File

SUBJECT:

Topper Corp.

Spoke to Jack Rose regarding collections for this month.

Our figures indicate that collections to date in May are approximately \$1.4MM v.s. the \$5.5MM projected for the month. This comparison may be somewhat mis-leading, as collections in some of the prior months were greater than projected. Some of the excess was on the warehouse customers, as I recall, i.e. Kreesge. My figures indicate collections since January 1st to May 18th of approximately \$21MM vs. \$20MM projected for the entire five months, therefore, they are somewhat ahead of projection.

A.J. Lusk
A.J. Lusk
Assistant Vice President

AJL:ad

FINANCE/ROUTING
JUN 1 1971
FISHER
L/C EXEC. M. SIECKEL
READING FILE
CONTRACT FILE

E.W.

A 3195

P. EXH 689

F. N. C. B. NATIONAL CITY BANK
FACTORS AND COMMERCIAL FINANCE DEPARTMENT

10/25/71
47
DATE June 9, 1971

FROM Morton J. Siegel, A.V.P.

TO Contract File

SUBJECT: Topper Corporation

Present at a meeting from subject on Monday, June 7, 1971 were:

Jack Rose, Executive Vice President Finance

Julius Schwartz, Vice President Finance

Sandy Obolsky, Controller

From F.N.C.B.

Edward Waldman, Vice President

Morton Siegel, Assistant Vice President

The purpose of this meeting was to discuss certain collateral guidelines and the status of their account.

Sales and Credits:

We agreed that only those credits, properly identified which apply against prior deductions would be given consideration against the past dues, during the interim periods of monthly agings.

Remittances:

Mr. Rose indicated that late reporting of cash application is behind them, at this time, and all details should be submitted within a week to ten days.

Redating:

We agreed to advance 50% against redated customers at this time, however, if items are not paid by the end of the following month, they are to be considered as ineligible.

Mr. Rose advised that they expect some term financing, through Ford Motor Credit Co., in the amount of \$700,000. A commitment is due in two-three weeks with receipt of funds expected within 30 days thereafter.

We also indicated to client that billing should be received by us before consideration for advances may be given to same.

FINANCE ROUTING

DEAN
HOLZMAN
TUCK
FISCHER
A/C TUCK

Morton J. Siegel
Assistant Vice President

cc. King Solomon etc.
MJS/cc

A 3196

10/19/71

090

FIRST NATIONAL CITY BANK

FACTORING AND COMMERCIAL FINANCE DEPARTMENT

10/19/71

DATE July 9, 1971

FROM Edward Waldman, VP

TO Contract File

SUBJECT:

TOPPER CORPORATION

Henry Orenstein phoned to advise the following:

1. Ford Motor Credit has committed for the \$7MM term loan. Should be available in about 3 weeks. I told Henry to give us sufficient time to examine the loan agreement between Topper and Ford, to provide for proper sharing of the collateral and to make appropriate notice in the participation agreements with Hanover, Fidelity and Mercantile.
2. Topper application for listing on the American Exchange has been approved. Quotes will begin the last part of July.
3. Cogan Berlin have committed to provide \$5MM by the sale of convertible bonds. Monies expected by August 10th. Possibility if the market may absorb amount may be increased to \$7MM.

Edward Waldman
Vice President

EW:SS

AL

MS

UNITED STATES COURT OF APPEALS
SECOND CIRCUIT

-----x
UNITED STATES STEEL AND CARNEGIE :
PENSION FUND, INC., CONNECTICUT MUTUAL :
LIFE INSURANCE COMPANY, et al., :

Plaintiffs-Appellants, : AFFIDAVIT OF SERVICE
ON PERSON IN CHARGE

-against- :

HENRY ORENSTEIN, FIRST NATIONAL CITY :
BANK, HAYDEN STONE INC., et al., :
Defendants, :

-and-

FIRST NATIONAL CITY BANK, :

Defendant-Appellee :

-----x
STATE OF NEW YORK)
COUNTY OF NEW YORK) : ss.:

MORRIS ARNSTEIN being duly sworn, says: I am
employed in the office of Breed, Abbott & Morgan, 1 Chase
Manhattan Plaza, New York, N.Y. 10005 attorneys for the
Plaintiffs-Appellants in the above action.

On the 28th day of January, 1977, I served
the annexed JOINT APPENDIX ON APPEAL - VOLS. I - V

on the attorney(s) listed below by delivering the same to
and leaving the same with the person in charge of said office(s).

Shearman & Sterling, Esqs., Attorneys for Defendant-Appellee
53 Wall Street, New York, New York 10005

Sworn to before me this
28th day of January, 1977

Morris Arnstein
Morris Arnstein

Edna J. Watrous